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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

August 30, 2002

The Honorable Joseph R. Biden Jr., Chairman
The Honorable Jesse Helms, Ranking Member
Committee on Foreign Relations
United States Senate

Dear Mr. Chairman and Senator Helms:

At Senator Helms' direction, we undertook a trip to consider the enlargement of the North Atlantic Treaty Organization (NATO), and the preparations underway in the countries of serious candidates for membership in NATO. Those countries include: Latvia, Lithuania, Estonia, Slovakia, Slovenia, Romania and Bulgaria. In addition we traveled to NATO Headquarters in Brussels; Prague, the site of the November 2002 NATO Summit and a new NATO ally; as well as London.

During our trip we met with a wide variety of officials and citizens, including presidents, prime ministers, foreign and defense ministers, parliamentarians, military personnel, non-governmental organization representatives, and members of the press. We also visited military bases and received numerous briefings from U.S. government officials and noted experts on Euro-Atlantic security issues.

Although we approached the trip with the concept of supporting a robust enlargement, at Senator Helms' direction we attempted to remain objective regarding the readiness of each country to undertake its commitments should it be invited to join NATO. In each country, we asked two overarching questions: 1) would that country be able to meet its military obligations to the NATO Alliance? and 2) did that country share the democratic values of its future NATO allies? The answers to these fundamental questions is a qualified yes for each of the countries we visited. However, in several cases, the remaining months before the Prague Summit will be critical to determining whether a long-term, serious commitment to the obligations of NATO membership exists.

In addition to questions of preparation for enlargement, we also engaged in the related topic of the future role of an enlarged NATO Alliance. Even as a Europe, whole and free, continues to evolve, governments among our Allies, as well as in the United States, have begun to question whether the NATO Alliance is sufficiently addressing, responding to, and preparing for current and future threats.

The following report sets out a short review of the history of the NATO Alliance, specific

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issues identified in each country, and our recommendations for action. As the Committee and the Senate NATO Observer Group prepare for the Prague Summit considerable concern is growing in the Congress and among close observers of NATO that the widening gap in military capabilities between the United States and our European Allies will undermine the effectiveness of the NATO Alliance. NATO Secretary General Lord Robertson recently said that if this gap is not addressed, the United States will be forced to choose between acting alone or not acting at all.

During our trip we pressed hard on the degree to which aspirant countries are not only pledging but actually spending two percent of their GDP on national defense. Despite the pledges to meet the financial requirements, we remain skeptical of the will of each of the candidates to meet this goal once membership is granted. One need only look to today's Alliance in which only seven of our current NATO Allies make such commitments to defense spending in their annual budgets.

Ensuring that the commitment of NATO aspirants to increase defense spending and continue their efforts to modernize and upgrade their military capabilities is perhaps the greatest challenge for the Prague Summit. Without a tangible financial commitment from all NATO Allies at Prague, the otherwise valuable discussion of the global threats posed by terrorism and weapons of mass destruction, the need for interoperability of military equipment, and the benefits of pooling various capabilities to achieve greater effect will have little impact. Unfortunately, defense cannot be had on the cheap. In Prague not only prospective members, but the United States and its NATO Allies must recommit their government to meeting the financial obligations demanded of membership in the Alliance.

In addition, most of the candidates for NATO membership have serious problems with pervasive corruption within their civil institutions and, in some cases, among their senior leaders. These problems have the potential to undermine the fledgling democratic institutions in these countries and dishearten their citizens from working for democratic government. While some level of corruption exists in all societies, what is most disconcerting in many of the countries we visited is the failure of judicial and law enforcement institutions, which are themselves corrupted, to address these criminal activities. The insidious nature of corruption in many of the post-Communist societies must be addressed in a serious and long-term manner by each of the candidate countries.


Given the similarities in the issues the candidate countries face, the meetings of the "Vilnius-10" group of candidates should continue after Prague so that the countries can discuss common efforts to eliminate corruption and augment the effectiveness of civil institutions. Meetings of the group could continue to assist each with its efforts to find common approaches to

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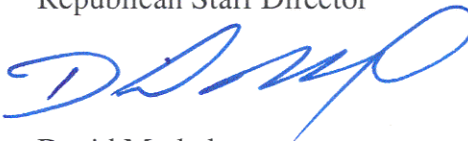
modernization and reform of military structures. We would like to highlight the importance of the MAP process continuing for those countries who receive an invitation in Prague as was stated in the Reykjavik Final Communiqué (May 2002). Such a program would ensure that there is no back-sliding in the significant reforms that have been made by each of the countries. Further, this should provide a mechanism to implement any policies developed in Prague to address the war against terrorism with a global reach and the threats posed by weapons of mass destruction.

Finally, you would both have been proud of the active support and interest in our agenda by each of the embassies facilitating our trips, as well as the State Department's Bureau of European Affairs. We were the beneficiaries of the leadership role you play and the recognition by each of the governments we visited of the vital role of the Committee on Foreign Relations in shaping our NATO policy and providing advice and consent to the protocols for enlargement of our NATO Alliance.

Sincerely,



Patricia McNerney
Republican Staff Director



David Merkel
Senior Professional Staff Member

I A BRIEF OVERVIEW OF THE HISTORY OF NATO

The North Atlantic Treaty Organization (NATO) is undoubtedly the most successful military alliance in modern history. Initiated on April 4, 1949, with the signing of The North Atlantic Treaty in Washington, it brought together twelve Euro-Atlantic democracies after the devastation of World Wars I and II with the purpose of preventing future European wars. The growing threat posed by the Soviet Union and the newly created Warsaw Pact led NATO military planners to focus doctrine, training and equipment on confronting the possibility of a land war in the heart of Europe.

NATO's original twelve members were Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States. Greece and Turkey were added to NATO in 1952, and Germany became a member of NATO in 1955. Not for another thirty years did NATO enlarge, with the addition of Spain in 1982. Finally, the end of the Cold War and the dissolution of the Warsaw Pact set the stage for the addition of three more countries to the Alliance in 1998: Poland, Hungary and the Czech Republic.

Arguably, the last round of enlargement at the 1998 Washington Summit closed the door on the Cold War and set the stage for the debate in Prague. As articulated by the Bush Administration, the first priority of the Prague Summit will be to publically debate and outline how to transform the Alliance in the 21st century – this will entail a new vision of the threats, capability requirements, and the manner in which members of the Alliance can share the resources needed to address current and future threats. In this context, the make-up and membership of the Alliance will be critical. Allies will need to assess the candidate countries and determine both their military readiness to join the Alliance and their willingness to join in the transformation of the Alliance.

During our meetings with current NATO partners in both the United Kingdom and the Czech Republic we discussed the future of the NATO Alliance and how these treaty partners viewed the growing gap in capabilities among NATO Allies. One Czech Foreign Ministry official stated the problem succinctly: "We are faced with global threats, but the reach of NATO is Euro-Atlantic." In addition, Czech Defense Ministry officials identified another potential gap, that of threat *perception*. Both ministries agreed that the capabilities gap and the question of threats to be addressed by NATO were fundamental issues for discussion, and possibly resolution, at the Prague Summit.

According to one official at the Czech Ministry of Defense, the question of specialization is essential to the debate in Prague. He argued that European countries must get rid of traditional national understanding of defense; if the Allies are unable to outline a NATO coordination of specialties then Prague will be a failure. However, we noted during our visit to the Czech Republic and NATO aspirant countries that although the concept of specialization was being discussed broadly, military planning and spending was not being developed around this concept.

In the United Kingdom, one of the few NATO Allies adequately investing in defense capabilities, officials similarly were grappling with these issues. In a meeting with relevant officials from the Defense and Foreign Affairs Ministries, they described their vision for Prague as a “transformational event”. The key success for Prague, they argued, would be the outline of a political vision for NATO. This vision should include flexible deployment as and when needed to address threats. Although the opposition members of Parliament we met with were wary of European (especially French and German) plans for the European Security and Defense Policy (ESDP), the Ministry officials felt that NATO’s Defense Capabilities Initiative (DCI) needed to be linked more closely to the ESDP.

II. ENLARGEMENT OF THE ALLIANCE AT PRAGUE

President Bush traveled to Warsaw in June 2001 telling the Alliance that NATO should “not calculate how little we can get away with, but how much we can do to advance the cause of freedom.” As a result, the meeting in Prague has the potential to be a historic round of enlargement. According to one senior American diplomat, the candidate countries are “more ready than we could have anticipated” when this process began.

With lessons learned from the previous enlargement of NATO in 1998, NATO agreed to a Membership Action Plan (MAP) for qualified countries seeking membership in the Alliance. Although a successful integration of Poland, Hungary, and the Czech Republic into the Alliance has occurred, legitimate concerns have been raised as to the pace of military reforms in these countries, and whether necessary steps have been taken to ensure that military purchases are pursued with NATO interoperability in mind.

The officials in each of the American embassies we visited agreed on the great success of the MAP process in this round of enlargement. With definable yet limited objectives for each country’s military and democratic institutions, progress in modernizing and reforming military and civilian institutions has been marked. The intrusive nature of the MAP process and the degree to which each country has accepted the individualized programs set out for it is a credit to the seriousness with which each country has taken its prospective NATO membership.

As a general matter we found that those countries with strong assets to contribute militarily -- both in the form of troops, weapons, or strategic location (specifically Romania and Bulgaria) -- have more serious work remaining to develop and modernize their democratic institutions. While those with strong democratic institutions, market economies, and the rule of law do not add significantly to the overall military posture of the Alliance.

Additionally, we were left with differing impressions as to the priority the different countries placed on resolving the remaining, and generally more thorny, reform issues in the run-up to the Prague Summit. For example, we were impressed with the steps of Slovakia’s government to educate its citizens on the benefits of NATO membership for Slovakia’s future.

By contrast, in Slovenia the government seemed reluctant to vest as much political capital in its candidacy as it had – with disappointing results – prior to the Madrid Summit. (Slovenia has since pledged to contribute the two percent of its GDP to its defense by 2008 and is raising public interest in its candidacy with positive results. Unfortunately, of the additional funds it is devoting to defense spending, it chose to spend millions on a private jet aircraft rather than on upgrading its military readiness.)

Finally, we were convinced, as have been many U.S. Government officials, that the seven countries seriously under consideration for NATO membership, in addition to the three new members of NATO, are more committed Atlanticists (with the possible exception of Slovenia) than many of the current NATO Allies. We expect this view to strengthen the commitment and resolve of the NATO Alliance to work together to deliberate and fashion a truly trans-Atlantic relationship as we face together the common threats posed by terrorism with a global reach and weapons of mass destruction in the hands of rogue governments and organizations.

Assessment of the Seven Serious Aspirant Countries

Romania

At the Madrid Summit in 1997, Romania (like Slovenia) was not offered an invitation to join NATO but was recognized by name as a potential member in a future enlargement decision. Commentators, journalists and other observers in Romania interpreted this as a signal that Romanian civil society was not up to standard for membership in NATO. The return to power of President Iliescu, a former communist, seemed to further detract from Romania's hope for NATO membership. However, President Iliescu and the government of Prime Minister Nastase have surprised many by their commitment and resolve to undertake the necessary military reforms and some civil society reforms required by the MAP process for NATO membership.

On the side of military reform, we were impressed by several factors. According to one U.S. official, Romania has adopted the concept of being a "net contributor." Romania's efforts to develop a professional and restructured military personnel system have been noteworthy. They have released around 5,000 officers and have developed a system of transparency in the career uniformed military service. (However, the U.S. Embassy was concerned that there might be some backsliding in reform with the enactment of an ordinance that could serve as a backdoor method of promotions by political patronage.) Romania currently has seven fully operational battalions, and has improved its ability to do long-term and realistic budgeting and planning. The military is making good procurement decisions – buying not just "toys" but required items such as frigates, communications technology, and hawk missiles.

Romania also has been more active in multilateral operations. When we visited, the military had just completed ahead of schedule a facilitation of the rotation of U.S. KFOR troops in the port city of Constanta. In addition, Romania has sent a battalion to Afghanistan and has

been active in Kosovo and Bosnia. Government officials were rightly proud of the fact their battalion was able to deploy to Afghanistan under Romanian strategic air lift capability. Also, we visited the second Mountain Battalion, which demonstrated a unique capability to participate in a multilateral effort requiring mountain terrain techniques.

Still, Romania has much to do before Prague to continue its military reforms. The readiness for vetting security clearances was still to be worked out when we visited. Given the seriousness of being able to protect adequately NATO intelligence information, establishing a workable process that strikes the balance between public access and adequate protection must be a high priority. The control of arms and excess equipment is another significant challenge and will be essential as they close the depots and logistics bases around the country and destroy small arms that are no longer needed. (Romania has provided some of this excess equipment for training of the Afghan National Army).

We were not as sanguine with the state of effort to modernize and develop democratic institutions and advance the rule of law. Corruption remains a pervasive and serious problem in Romania. Although not unique to their post-communist government, we were struck by a lack of resolve to tackle the problem head on. Surprisingly, some told us that once they were accepted into NATO, then they would have greater ability to tackle the problems of corruption. (Some attributed this to the fact that while President Iliescu is seen as above reproach, there are several questions surrounding Prime Minister Nastase making it a difficult political issue for his government to address.)

Romanian officials and other observers told us of the deteriorating effect of what goes on behind the scenes to influence government decisions, the troubling influences that business connections can have on the government, and the severe corruption of the judicial system in Romania. The process for transferring state owned property, particularly in the agricultural sector, was highlighted as one of the greatest areas in which these illicit forces converge.

Additionally, Romania has much work to be done to reform its civil institutions. Many Americans have learned first-hand of the corruption of the child welfare system as they attempt to navigate the adoption process. Reforming the process for international adoptions before the Senate considers potential Romania membership in NATO is essential. Further, concrete steps to reform the judicial system and the rule of law in Romania should be taken before Prague.

Finally, an area for positive growth appears to be the growing strategic regional cooperation. Military cooperation has developed with Bulgaria, particularly with the establishment of an air sovereignty operational center. But even on the economic front there is growing activity with countries on the Black Sea and the Caucasuses.

Bulgaria

Bulgaria, like Romania, faces great challenges as it develops its civil institutions. On the

military front, the Bulgarians are making a number of concrete reforms as they transform Soviet-age capabilities, as well as doctrinal and personnel concepts and plans. Working under a long term plan through 2015, as well as a short term plan through 2004, the Defense Ministry had a prioritized list of assets it could purchase with available resources and was planning its force structure within this budget. Although U.S. Embassy officials felt the pace of reforms could be faster, they were largely on track.

One great challenge for Bulgaria is the downsizing of its military. In June 2002 a release of 8,000 officers and soldiers was scheduled. The Minister of Defense told us that necessary buy-out authority for downsizing had been approved for December 2002, but perhaps the greatest challenge was helping those released adapt to civilian life and find adequate employment.

While we were in Bulgaria, the U.S. Ambassador was completing negotiations of a memorandum of understanding for the destruction of SS-23 SCUD missiles. Under a U.S. funded program, the missiles are scheduled to be dismantled and destroyed. Completion of this program must be monitored closely. Of remaining concern, however, is the treatment of small arms and other excess equipment. A draft bill was in the works to provide strict oversight and control of arms sales, and ensure it is consistent with NATO's list of prohibited sales recipients. Enactment and implementation of this Act, and better controls on small arms, will be essential for Bulgaria to complete before Prague.

As an international partner, Bulgaria has shown its willingness to participate. It sent troops to SFOR, KFOR, and ISAF. The U.S. Embassy gave credit to Bulgaria's job as a non-permanent member of the U.N. Security Council and the positive role of Bulgaria as a stabilizing factor in the Balkans. Also, Bulgaria continues to develop productive regional cooperative arrangements with Romania as well as with Greece and Turkey.

Some criticism was expressed by independent non-governmental organizations (NGOs) that Bulgaria continues to look eastward in its military modernization. As it upgrades its MIG-29s, it is purchasing equipment from the Russians, while subcontracting the avionics to a NATO-compatible supplier. Also cited was a concern that the Minister of Defense's civilian control of the military was being eroded, but on this score we were unable to see any concrete evidence of a diminution in authority.

On the question of civil reform of Bulgarian institutions, there remains a long list of reforms to be achieved. When he visited Washington last spring, Bulgaria's Prime Minister presented President Bush with a list of reforms his government pledged to accomplish. We spoke with the President of Bulgaria at length about the required reforms, particularly a radical reform of the judiciary, economic reforms necessary to increase foreign investment, reduction in corruption which is rampant in all civil institutions, and curbing the trafficking of persons, drugs, and other contraband. One area in which Bulgaria serves as a model is its integration of ethnic and religious groups. We visited Bulgaria just after the visit of Pope John Paul II. The success of the visit was clearly a source of pride for the Bulgarian people.

Slovakia

Slovakia's NATO candidacy more than others is dependent on its upcoming national election scheduled for September 20-21 prior to the Prague Summit. While the current government of Prime Minister Mikulas Dzurinda has not lived up to all the expectations, it has been a welcome change for Slovakia and its neighbors from the previous authoritarian rule of Vladimir Meciar. Slovak government officials and political party representatives expressed to us a willingness to work together to form a coalition government following the September elections that would not include Mr. Meciar's HZDS party. They also recognized that if the HZDS, in any form, were to be a member of the new governing coalition that the United States and other NATO Allies would reject Slovakia's candidacy for NATO membership.

The issues developing around the elections reflect the broader issues of corruption and economic development in this former Communist nation. Mr. Fitso's SMER party has tapped into the frustration over corruption and concern with regard to crime. His support comes mainly from former communists, disaffected HZDS voters, and those youth who are frustrated with corruption in the current government. Mr. Fitso and other SMER representatives have made assurances that he would not join in coalition with the HZDS.

In addition to monitoring the results of the election, ensuring that weapons transfers do not occur outside strict legal guidelines is essential. Failure to take adequate steps to prevent illicit weapons sales could derail Slovakia's prospects for NATO membership. In the past conventional weapons from Slovakia have found their way to Belarus, North Korea, Angola, Liberia and the Congo. In many cases these weapons were diverted after leaving Slovakia. The US Embassy told us that the Slovak Government has taken steps to improve export controls and that Slovakia is working closely with the United States to prevent illicit arms transfers.

Slovakia, like Romania and Bulgaria, is faced with the challenge of reforming a military with Warsaw Pact era equipment, structure and doctrine. Slovakia got off to a slow start on military reform — even so, we were impressed with the progress achieved and the quality of personnel in the Ministry of Defense. Defense Minister Jozef Stank as well as State Secretary Rastislav Kacer have gained the respect of the NATO Secretariat and the US Embassy for the results they have produced and their seriousness in implementing their plan for military reform.

Defense reform is now on track and recognition of its importance is shared by most political parties. In fact, Slovakia's new strategic concept received support from 87 percent of the Parliament. Although the September elections are expected to result in a change in government, they are not anticipated to affect military reform.

Slovakia's Model 2010 states that the "defense policy of the Slovak Republic seeks to maintain military capabilities sufficient to guarantee the sovereignty, independence, and territorial integrity of the State and contribute to peace and stability in the Euro-Atlantic region."

Elements of Plan 2010 include modernizing military equipment, reducing the size of the military, ending conscription and becoming a professional military and projecting force in multilateral operations outside of the territory of Slovakia. Slovakia has already contributed to NATO operations in Kosovo and Bosnia and has provided blanket overflight and basing rights as well as deploying an engineering unit in Afghanistan.

Slovakia, like other aspirants we visited, has significant work left to establish structures and procedures for dealing with NATO classified information. In Slovakia the law to establish a National Security Office (NBU) was enacted by the Parliament. However, the budget to fund the new office was delayed in the Parliament. We visited the NBU and found an earnest but underfunded, understaffed office working to raise Slovakia to NATO standards.

Slovakia has done an impressive job with its public education campaign for NATO. NGOs, building on their experience from the 1998 election which ousted Meciar from power, have involved all sectors of the population to educate the Slovak public on the value of NATO membership for the country's future. The Ministry of Foreign Affairs established the post of a coordinator for this campaign and is funding many of these projects.

Like elsewhere in Central Europe, corruption is an issue of concern in Slovakia – so much so that NATO Secretary General Lord Robertson highlighted it on a recent visit to Slovakia. The public's view of the Dzurinda government has been damaged because of government corruption. Government Ministers have resigned after being implicated in government corruption, but have maintained positions of power and influence. Although it will be difficult to achieve reforms given the national elections in September, civil reforms must be highlighted and encouraged in the lead-up to Prague.

Slovenia

Slovenia expected to receive an invitation to join NATO at the Madrid Summit in 1997. The disappointment of not being included resulted in the Minister of Defense stepping down from office and questions as to whether it was wise to tie as much political capital to securing Slovenia's membership in NATO during the next enlargement decision. During the past year, the Prime Minister made inconsistent statements about Slovenia's membership and the government had not sought to increase public support for NATO membership.

As we arrived in Slovenia it appeared that the government had decided to move beyond its reluctance to embrace NATO membership as a goal and begin a public campaign to raise public support for NATO membership. The Parliament was on the eve of a forum to be broadcast nationally with statements from the Prime Minister, the Foreign Minister, the Defense Minister and key members of the Parliament — each making the case that Slovenia's national interest would be well served by joining the NATO Alliance (all political parties in Parliament support NATO membership with the exception of a small Nationalist Party that has four members in Parliament).

A stable free market democracy with an active press and impressive economic growth makes Slovenia an attractive candidate for membership in the NATO Alliance. Government officials explained that Slovenia desires to be in NATO because it is a group of nations whose values are shared by Slovenia and membership provides the best defense for the country. Slovene officials expressed a strong belief that their nation will play an important role in NATO to eliminate instability in Southeastern Europe, and could speed up positive change in other countries of the former Yugoslavia.

Slovenia left the Federal Republic of Yugoslavia and its federal military relying on little more than a national militia — one that was poorly armed and possessed little training or tradition. A positive result of its historical development, Slovenia's military has the advantage of not being required to deal with the difficult issue of destroying excess, outdated equipment. However, Slovenia's force strength of over 50,000 remains in need of down-sizing. It has made some progress in its plans to reduce to a professional army of 26,000.

In order to equip a military almost from scratch, the Minister of Defense said that he was committed to raising the military budget to the suggested two percent of GDP but would have to work through issues with the Finance Ministry. During a recent visit to the United States by Prime Minister Drnovsek, he indicated the government would raise defense spending to 1.46 percent of GDP by 2007, with a further increase to two percent in 2010. Given the level of spending required and the various priorities of the government, we remain concerned that this target may not be reached. The government's purchase of private jet aircraft in lieu of investing in necessary military equipment is indicative of the problems Slovenia has in prioritizing spending.

One area of positive development is in relations between Slovenia and Croatia, which have improved in part as a result of Slovenia's candidacy for NATO. Slovenia escaped the former Yugoslavia without the destruction and loss of life that took place in Croatia. As a result, Slovenia has had stable democratic leadership focused on the development of its country while Croatia had until recently been lead by President Tudjman. Government officials stated that during their first 10 years of independence "we tried to deny that we were part of the former Yugoslavia, now we are an exporter of stability in this region." Slovenia is the only Republic from the former Yugoslavia to participate in SFOR and KFOR.

Our meetings with members of the Parliament gave us great optimism. These leaders articulated clearly the importance of NATO membership for Slovenia as well as the responsibilities of membership. When asked about the perception that Slovenia would not be as strong of an Atlanticist as other aspirant nations, an Intelligence Committee member stated that the majority of the Slovene population is supportive of the global role of the United States and therefore supportive of NATO membership. The Parliamentarians also said that the modest popular support for Slovenia in NATO was reflective of the disappointment felt after Madrid and they expected that once Slovenia received an invitation the level of public interest and support would increase.

Lithuania

Consideration of Lithuania and other Baltic countries as candidates to join NATO was until recently considered too provocative an act by the West with regard to Russia. Government officials in all three Baltic countries told us that President Bush's speech last year in Warsaw and Senator Helms' speech to AEI in the same year were critical to placing those countries under active consideration for NATO membership. Officials from the Lithuanian Foreign Ministry said that President Bush's speech "was a turning point in Europe" that broadened acceptance of a robust enlargement to include the three Baltic nations. The previous reluctance regarding Baltic membership stemming from a concern that the reaction in Moscow would undermine relations with Russia was felt most strongly by the Germans, Italians and French. These concerns have largely disappeared with improving US-Russian relations and the new Russian relationship that has been formalized by NATO and Russia. Finally, since President Putin has not actively opposed Baltic membership, many skeptics in Europe and the United States have been reassured.

Operationally, Lithuania likely will make but a modest military contribution to NATO. The government is nonetheless committed to international engagement and has offered troops for operations in Afghanistan. While Vilnius is diligently working towards a small but effective force, Lithuania's key asset for NATO is its role in securing stability in the Baltics.

Still, Lithuania's efforts to reform and modernize its military are impressive. We visited a military training facility in Rukla where basic training and some specialized training is conducted. The professionalism of the army staff and the modernized facility, which had been a run-down Soviet base, demonstrated the Government's new agenda: investment in the people serving in the military, creation of a professional and satisfied corps, and improvement in public perception of the military from the days of the Soviet Army when conscripts were treated more like prisoners than valued members of the armed forces.

Moreover, the Baltic countries provide an example of how countries can pool resources so that they jointly are more qualified and attractive Allies and contributors. We visited BaltNet, which ties together the air surveillance of all three Baltic counties, and is an example of this concept. BaltNet has some assets, qualified English speakers from all three countries working together and integrating their air surveillance. However, we questioned the value of BaltNet for NATO at present. When the new radars are on line and incorporated into BaltNet, this system may provide greater capability to the Alliance.

Additional Baltic military cooperation among the three nations include the Baltic Battalion (BALTBAT), the Baltic Navel Squadron (BALTRON), Baltic Air Surveillance Network (BALTNET), and the Baltic Defense College (BALTDEFCOL). Cooperative efforts in logistics, command and control, and a joint medical unit are also being developed. Our European Allies, even those much larger than the Baltics, should look to the Baltic experience for examples of how pooling resources might address the growing military capability gap between the United States and Europe.

Estonia

Unfortunately, our visit to Estonia was timed poorly, and coincided with a caretaker government. In the wake of a disruption of the previous coalition government, a new coalition had not been formed in the Parliament. We did however, meet with the new Defense Minister in his capacity as a member of the Parliament, and later in Washington met the new Foreign Minister. The continuity of support for Estonian membership in NATO between governments was encouraging. The *Coalition Agreement* establishing the new government, and statements by both the outgoing and current foreign minister show no change in Estonia's foreign policy orientation.

Like Lithuania, Estonia's willingness to participate in NATO activities, and its commitment to NATO principles is evident. The Defense Minister cited Estonia's contribution to SFOR and KFOR as examples of its contribution to international military efforts.

Like other aspirants to NATO, Estonia is developing and expanding its specific capabilities. For example, Estonia is seeking to be a resource for international efforts in de-mining activities, military police duties and decontamination. While Estonia's size will limit the make-up of any units it can contribute, it also has historic force structures and strategic planning to overcome. Thus far, Estonian military planners have been reluctant to focus more broadly on training and maintaining troops that can be deployed, continuing instead to emphasize territorial defense. One result is that Soviet era tanks remain a drain on Estonia's defense budget while providing limited military value.

Of particular benefit to the Alliance is the western and transatlantic orientation of Estonia and the other Baltic nations. The Minister of Foreign Affairs was not shy about stating that taking countries like Estonia into the Alliance would, "improve the transatlantic link." He said that Estonia had an important historic connection with the United States. What is remarkable about Estonian civil institutions is their lack of regulation and libertarian bent. They are perhaps unique in that their accession to the EU will require them to roll back some of their liberalized policies.

However, Estonia's success as a candidate for membership in the European Union has led some to question whether Estonia is as serious about its NATO aspirations. The Minister of Foreign Affairs dismissed this criticism. He noted, however, that in October of 1996 Defense Secretary Perry said that the Baltic countries were not ready for NATO membership, which led many to focus their efforts instead on EU membership. This did not, he told us, diminish the importance of NATO membership as a goal of Estonian foreign policy.

Furthermore, Estonian government officials dismissed fears that relations with Russia would be harmed by Estonian membership in NATO. They cited Poland as an example of a new NATO member whose relations with Moscow improved once the question of NATO membership was resolved.

Latvia

Latvia, like the other two Baltic nations, is meeting its MAP requirements overall, and emphasizing its support for the goals and values of the NATO Alliance. The US Ambassador pointed to Latvia's international efforts, citing the Latvian government's declarations of national support for the Global War on Terrorism after the attacks of September 11th and the sentiments of the nation expressed by the Prime Minister in a visit to the Embassy the day after the attacks. Latvia agreed to double its contributions to SFOR and more than double its KFOR contributions so that US and NATO assets could be dedicated instead for battle in Afghanistan.

Latvia has a strong economy and its progress is impressive given the impact of the Russian economic crisis of 1998, which forced Latvia to turn to the west to develop new markets. Latvia's democratic transition also has been smooth, marked by free and contested elections. Latvia will hold its next national election in October, and with all major parties in support of NATO membership, the result is not expected to alter Latvia's policy on NATO membership.

Latvia is still wrestling with full integration of the Russian population into society. With Latvia working to regain its own cultural and historical identity after decades of Soviet rule, full integration has been difficult. At the time of our visit, Latvia's election law required that candidates for elective office have a higher proficiency in the Latvian language than the general electorate. The US Embassy and visiting officials conducting bilateral meetings had raised concerns about the fairness of these standards. Since then, a new law has been enacted equalizing the language comprehension standard for voters and candidates.

To put the improvements in context, it should be noted that the Latvia of 1991 was a very different country from the Latvia of 1941. By the end of World War II nearly one-third of Latvia's pre-war population had been killed, deported, relocated or forced into exile. In subsequent years, thousands of Soviet citizens were settled in Latvia, reducing the ethnic Latvian population to almost 50 percent. The Organization for Security and Cooperation in Europe (OSCE) established a Mission in Latvia in 1993 to observe and assist in the social integration of some 700,000 people who had become stateless with the demise of the Soviet Union. Early progress on this emotional issue was slow, but sufficient progress was made for the OSCE mission to close in Latvia, Estonia and Lithuania in 2001.

If the Baltic nations are to demonstrate that they share the values that NATO was established to defend, they must fully address the wrongs of the Nazi Holocaust in each country. During the Holocaust over 90 percent of Latvia's Jewish population was murdered — both by German Nazi occupiers and by willing Latvian collaborators. Facing this reality has been a difficult challenge for Latvia. Good teaching material on complacency of some Latvians during World War II has been developed and much of the restitution of expropriated property has been completed. Still the government has recognized that much remains to be done, such as the creation of a Jewish School.

Latvia enacted a law requiring two percent of GDP be devoted to military spending by 2003. This will entail a 43 percent increase in defense spending. However, given the significance of such an increase, there is some reason for skepticism and it should be monitored for compliance. The Chairman of the Defense and Interior Affairs Committee in the Parliament said that 86 percent of the Parliament voted in favor of the increase in defense spending and expected a similar result for the 2003 budget.

Latvia initially was slow to build a military. In 1998, new government leadership placed a priority on military reform and qualifying for NATO membership. As a result of these investments, Latvia expects to have a battalion fully operational by 2003. Specialized capabilities in de-mining, explosives disposal and naval diving are operational and military planners have put together a comprehensive budgeting and planning system.

On the question of relations with Russia, Latvia like the other Baltic countries continues to monitor signals coming from the Kremlin. However, the Prime Minister said that a new relationship between NATO and Russia is helpful as so many former members of the Soviet and Russian military live in Latvia. "They are watching Russian TV [so President] Putin's statement helped." He credited Putin's posture for quickly changing the opinion of ethnic Russians in Latvia to a softened opposition or in some cases even support for Latvia's entry into NATO. (Public support at the time of our visit was above 60 percent. The Latvian government has set a goal of 70 percent public support).

The Latvian Prime Minister placed equal priority on three foreign policy goals: cooperative relations with Russia, NATO membership and EU membership. Officials in the Foreign Ministry reiterated this, but emphasized that better relations between Russia and NATO were in Latvia's interest as long as Russia is moving towards NATO and its goals and not the reverse.